

**MINUTES  
STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL**

**May 13, 2002 - Regular Meeting**  
Rowe Six Conference Center, Building 1  
4224 6th Avenue S.E.  
Lacey, Washington, 1:30 p.m.

**ITEM 1: CALL TO ORDER**

**CHAIR LUCE:** The regular meeting of the Washington State Energy Facility Site Evaluation Council for Monday, May 13, 2002, will come to order.

**ITEM 2: ROLL CALL**

***EFSEC Council Members***

<b>Department of Ecology</b>	Chuck Carelli
<b>Department of Fish &amp; Wildlife</b>	Jenene Fenton
<b>Department of Natural Resources</b>	Tony Ifie
<b>Utilities and Transportation Commission</b>	Jeffrey Showman
<b>Walla Walla County</b>	Via phone - Pam Ray
<b>Port of Walla Walla</b>	Via phone – Paul Gerola
<b>Whatcom County</b>	Via phone-Dan McShane
<b>City of Sumas</b>	Via phone-Gerry Richmond
<b>Dept. of Transportation</b>	Gary Ray
<b>Dept. of Health</b>	Ellen Haars
<b>Military Dept.</b>	Maillian Uphaus
<b>Community, Trade, and Economic Development-Sumas</b>	Heather Ballash
<b>Chair</b>	Jim Luce

***EFSEC Staff and Counsel***

Allen Fiksdal	Mike Mills
Irina Makarow	Michelle Elling
Mariah Laamb	Robert Fallis, AAG, EFSEC

***EFSEC Guests***

John Mudge, Critical Issues Council	Rose Spogen, Critical Issues Council
Mike Torpey, BP Cherry Point	Karen McGaffey, Perkins Coie
Laura Schinnell, Energy Northwest	Katy Chaney, URS Corp.
Chuck Lean, Wallula Generation	Cindy Custer, BPA
Darrel Peeples, Wallula Generation	Tom McKinney, BPA
Judith Hillis, Jones & Stokes	Brian Carpenter, Rebound
Grant Bailey, Jones & Stokes	Steven Bates, Tractebel Power Inc.
Alan Harger, Department of Transportation	Mike Elmer, Starbuck Power Project

John Arbuckle, Energy Northwest  
Candice Ambrosio, GASP  
Dean Rogers, GASP  
Mike Dunning, CFE-Wallula

Hoyt Jeter, BJO Northwest  
Curt Leigh, WDFW  
Phil Sinclair, BP Cherry Point  
Mike Lufkin, CFE – Satsop

### ITEM 3: APPROVAL OF MINUTES

**CHAIR LUCE:** Thank you, Mr. Mills. My understanding is that the minutes for October 22, November 19, and December 10 have yet to be distributed, and therefore we will not be acting on those minutes today; is that correct?

**MR. MILLS:** That's correct.

### ITEM 4: ADOPTION OF PROPOSED AGENDA

**CHAIR LUCE:** Thank you. Has everyone had a chance to review the proposed agenda before us, Council Members? Do we have a motion to adopt the proposed agenda?

**MS. FENTON:** So moved.

**MR. IFIE:** Second.

**MS. MAKAROW:** Excuse me, Chair Luce. If we could move Item No. 9 Wallula Power Project up to the top of the agenda, Mr. Gerola is only available until 1:45, and he wanted to be available for the update.

**CHAIR LUCE:** Very well. Would the motion maker amend the motion to do that order?

**MS. FENTON:** Yes.

**MR. IFIE:** Second.

**CHAIR LUCE:** All in favor aye.

**COUNCIL MEMBERS:** Aye.

**CHAIR LUCE:** The agenda as modified is approved.

### ITEM NO. 9: WALLULA POWER PROJECT

<b><i>Status Report</i></b>	<b><i>Irina Makarow, EFSEC staff</i></b>
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**CHAIR LUCE:** We will move then directly to the information item scheduled No. 9 Wallula Power Project status report. Ms. Makarow.

**MS. MAKAROW:** Just a very brief update. Council staff has received settlement agreements between the Applicant and four state agencies, which are the Utilities and Transportation Commission, Fish and Wildlife, Department of Transportation, and the Department of Community, Trade, and Economic Development. Staff has scheduled a settlement hearing for June 4 in Olympia, and we've found a location. We will be notifying you all a little bit more officially at the time that the meeting is going to start and the location.

**CHAIR LUCE:** Thank you. Anything else with respect to Wallula?

**MS. MAKAROW:** No. That's all the information that we need to update right now.

**CHAIR LUCE:** Any comments from the public with respect to Wallula?

**MR. PEEPLES:** Do you want a little bit of an update right now?

**CHAIR LUCE:** We have ten minutes. If you wish to update us, Counsel, that might be appropriate.

**MR. PEEPLES:** I'm Darrel Peebles representing Wallula Generation. We do not have an executed agreement with the Counsel for the Environment, but we have an agreement. We've worked it out with all the details. We've had a concept agreement. We have a detailed agreement, and we're just getting it drafted. Counsel for the Environment is not going to be filing prefiled testimony because we're confident we have it. It's just a matter of now getting the drafts back and forth, so we have that coming. That is the same with the County of Walla Walla. We have come to an agreement with regard to the one issue, a bit of a sticky issue, we had about 12 o'clock today, so we will be working on the final draft on that this next week. The environmental agreement with the Umatilla CTUIR has been executed. The cultural stipulation has been approved. It's actually drafted primarily by the tribe. That's been approved by all the committees, and they're in their final -- I think it will be approved next week. They will be signed next week, but it has to go up to the final tribal legislative authority, so it's just a long process. That real key approval has already been made. It's simply ratifying that. After that everybody else falls in line. The stipulations will be coming in probably within a week after we execute the agreement with Counsel for the Environment. So by June 1 all the stipulations should be entered. I would imagine the County's, we'll get the County's executed by June 1 too.

**CHAIR LUCE:** Thank you. Any sooner that you can do that, and I know you will do so sooner if possible, would be helpful for the settlement hearing for us to be able to review those documents.

**MR. PEEPLES:** Is there in any of those agreements with the state agencies now that you would not want to ask about? And I am kind of asking on behalf of DOT. Their person would have to come over from Yakima or could we have them on the phone from Yakima?

**CHAIR LUCE:** I will leave that up to staff to make those sort of decisions.

**MR. PEEPLES:** It's the same thing with WUTC. I was asked, you know, if they really wanted the agency staff people there, they would be there. But if there's really not an issue, they would rather not come, if possible.

**CHAIR LUCE:** I think the Administrative Law Judge can probably best decide that. Anything you can get to us from the Counsel for the Environment prior to, a week prior to I would say the prehearing conference would be very, very helpful. It will give us a chance to absorb that.

**MR. PEEPLES:** Okay. Is the plan to having all of them at one time?

**CHAIR LUCE:** Again, I will leave that to Irina and to the Administrative Law Judge.

**MS. MAKAROW:** The plan is to have the four that we have in on June 4, and others if they come in advance enough to get that information to the Council.

**MR. PEEPLES:** The four that are in now are pretty stand-alone. The others are intermeshed and apart of each other.

**CHAIR LUCE:** Thank you. Does that conclude Wallula Power Project?

**MR. PEEPLES:** I believe it does.

**MS. RAY:** Irina, were you able to discuss with the Administrative Law Judge, Don Meath, the possibility of Paul and I proposing questions if we have any on the settlement agreements?

**MS. MAKAROW:** Yes, I did discuss that with Don Meath today, and that would be the preferred way to go in that you can write up any questions you have about those settlement agreements before the hearings. And for the benefit for the other Council Members, both Paul Gerola and Pam Ray are unable to make it on June 4. Paul is off on vacation, and Pam has a county council meeting. So, yes, both you and Paul can write up those questions, and we'll have those asked at the hearing.

**CHAIR LUCE:** Thank you.

**MS. RAY:** Thank you.

**MR. GEROLA:** Thank you very much for accommodating my schedule.

**CHAIR LUCE:** You're welcome. If there's nothing else with respect to Wallula, we will move onto the second matter. Sumas 2 Generation Facility.

**MS. RAY:** Bye-Bye.

**CHAIR LUCE:** Good-bye. Thank you for coming.

## **ITEM 5: SUMAS 2 GENERATION FACILITY - APPLICATION 99-1**

<b><i>Consideration &amp; Adoption of Final Supplemental Environmental Impact Statement</i></b>	<b><i>Jim Luce, EFSEC Chair</i></b>
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**CHAIR LUCE:** The next item we have on today's agenda is the adoption of the Final Supplemental Environmental Impact Statement for the proposed Sumas 2 Generation Facility. I'd like to take this opportunity to describe briefly how the Supplemental EIS was developed. I will then ask for an opinion from Allen Fiksdal, our responsible SEPA official, whether the document complies with Energy Siting Council rules and SEPA rules. If so, I will ask for a motion to adopt and issue the document. Under state law EFSEC is required to comply with the provisions of the State Environmental Policy Act or SEPA in reviewing applications for siting new energy facilities.

At the beginning of our proceeding our responsible SEPA official, Allen Fiksdal, determined that an environmental impact statement was required for this project. An Environmental Impact Statement was so developed. It was adopted and issued in February 2001. Sumas Energy 2 submitted a second revised application in June 2001. Based on the changes to their proposal, our SEPA official determined the Supplemental Environmental Impact Statement would be required. The purpose of the SEIS was to analyze the environmental impacts resulting from the changes to the Sumas Energy 2 Generation Facility proposal. A draft Supplemental EIS was issued for public comment on September 19, 2001. A public comment hearing was held on October 16, 2001 in Everson, Washington, and 43 persons presented public comment that evening. The public comment period closed on October 19.

The Council received 36 written comment letters. All of these oral and written comments, together with other record materials developed through the review of the Second Revised Application, were provided to our independent consultants, Jones and Stokes. All oral and written comments were considered in developing the Final Supplemental EIS. All Council Members have had an opportunity to review the document.

The Final Supplemental EIS is an important document that helps the Council in its decision whether to recommend the siting of this proposed facility. It is not and I repeat not a decision document in and of itself. It is one part of the entire record that the Council will consider. Other important sources of information that the Council is required to consider include the adjudicative record, the record in the land use consistency phase of our proceeding, and the public witness hearings. These documents and the proceedings will all form the basis for the Council's ultimate decision and recommendation in this matter that will be set forth in the order and recommendation the Council sends to the governor.

The Council has scheduled a meeting to take place on Friday, May 24, in Bellingham, Washington to vote on an order and recommendation to the governor. Mr. Fiksdal will give us more information about that meeting later. I will now turn to Mr. Fiksdal as responsible SEPA

official for his opinion whether he is satisfied that this Final Supplemental EIS complies with the EFSEC rules and Chapter 197-11 Washington Administrative Code. Allen.

**MR. FIKSDAL:** Thank you, Mr. Chairman. I am satisfied that the document before you meets EFSEC and SEPA rules, and I recommend the Council adopt and issue the document.

**CHAIR LUCE:** Thank you, Mr. Fiksdal. I will therefore entertain a motion to adopt and issue the Final Supplemental EIS.

**MR. CARELLI:** So moved.

**MR. IFIE:** Second.

**CHAIR LUCE:** Thank you very much. Having heard the motion and the second, I would ask if there's discussion with respect to this issue? I want to remind the Council Members here that it is just the Council Members sitting on the Sumas case that will be voting on this motion. All those in favor say aye.

**COUNCIL MEMBERS:** Aye.

**CHAIR LUCE:** All those against? The I's have it. Are there any abstentions? Thank you very much. The motion to adopt and issue the Final Supplemental EIS for Sumas 2 Energy Proposal carries. Mr. Fiksdal, you have additional information for the Council and the public regarding our schedule for decision on Sumas Energy 2 Second Revised Application.

<b><i>Final Consideration &amp; Recommendation Schedule</i></b>	<b><i>Allen Fiksdal, EFSEC Manager</i></b>
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**MR. FIKSDAL:** Yes, I do, Mr. Chairman. On May 24, the Council has scheduled a special meeting to vote on issuing its recommendations regarding Sumas Energy 2. It will be again Friday, May 24 at 2:00 p.m. at the Hampton Inn, the Fox Hall Meeting Room. The address is 3985 Bennett Drive in Bellingham, Washington.

**CHAIR LUCE:** Thank you very much. Distribution of the Supplemental EIS, Irina, you handled that for the Council Members. I assume it's available for public distribution.

**MS. MAKAROW:** It is going to be going into the mail tonight, and we do have some copies for some of the people we knew would be here today. The notice of the special meeting will be going out in the mail tonight also.

**CHAIR LUCE:** Thank you very much. This concludes action with respect to the consideration and adoption of the Final Supplemental Environmental Impact Statement, and we will next meet on this matter on May 24 at 2:00 p.m. in Bellingham, Washington.

**MR. FIKSDAL:** Mr. Chair, I might also note that we will be issuing a press release when we return to the office this afternoon to the people on our media list, and so the announcement of the meeting will go out this afternoon along with the mailing notices.

**CHAIR LUCE:** Thank you very much. The next matter, and Council members -- yes.

**MS. HAARS:** You will be talking to us about arrangements.

**MR. FIKSDAL:** Yes, we will. We will make sure that you're there.

**CHAIR LUCE:** Council Members who came for this matter today, we really appreciate your attendance. Thank you very much. Dan and Gerald, thank you.

**MR. FIKSDAL:** Do you want to take just a short break?

**CHAIR LUCE:** We will take just a few minutes break here, a five minute-break, and then we will get back to the rest of the agenda which will begin with a report on the Satsop Combustion Turbine Project. (Recess taken.)

## ITEM 6 - SATSOP COMBUSTION TURBINE PROJECT

<b><i>Progress Report</i></b>	<b><i>Laura Schinell, Energy Northwest</i></b>
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**CHAIR LUCE:** The next matter on the agenda is a report with respect to the progress on the Satsop Combustion Turbine Project.

**MS. SCHINELL:** I am Laura Schinnell, Energy Northwest Project Scientist at the Grays Harbor Facility for Duke Energy at Grays Harbor, providing an updated progress report on our construction. Total construction is approximately 15 to 20 percent complete, and we are currently slightly ahead of schedule on our construction. We have completed most of the concrete pours, so that would be the foundations for the gas turbines, steam generator, cooling tower, and the administration building, so essentially we are ready to place equipment and begin building construction. We are approximately 90 to 95 percent complete on all underground pipe and duct bank installation, so ground disturbance should be minimal from here on out. And we have been receiving major equipment at the site. That includes the sump pumps, steam generator, steam condenser, and we are starting to receive the steel for the heat recovery steam generators. The gas turbines have also been shipped, and we expect those on site anywhere between this week and the end of June. Just depends on how long it takes them to come through the canal.

In our last written report we noted that a leak had been observed in the C1 erosion control dam, but there had been no concerns with water quality standards; that the leak just seemed to be slightly below the dam itself and didn't go further downstream to be released into the river. The Grays Harbor PDA who owns that dam has received estimates for repairs, and we expect those repairs to be completed later this month, and as an interim measure below the dam we did place some filter fabric fences, but you cannot see evidence of siltation below the dam. So that was just to provide an update of that particular report we made. Rainfall for the calendar year remains above normal. April was also another month that was slightly ahead of average in terms of the amount of rainfall. If there are any questions, I would be glad to answer.

**CHAIR LUCE:** Yes, Mr. Fiksdal.

**MR. FIKSDAL:** Which canal is it coming on? You said the CTs are coming through the canal.

**MS. SCHINELL:** The Panama Canal.

**CHAIR LUCE:** Allen, do you have a report for us with respect to the Phase II amendment application review process?

<b><i>Phase II Amendment Application Review Process</i></b>	<b><i>Allen Fiksdal, EFSEC Manager</i></b>
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**MR. FIKSDAL:** Yes. I just want to remind you that tomorrow morning at I believe it's ten o'clock, we have scheduled a special meeting for the Council—that I will recommend, a proposed SEPA determination. I would like to discuss that recommendation with the Council before its issued., I did receive a letter from Karen McGaffey today regarding the memo that I will pass out today.

**CHAIR LUCE:** Thank you. Do we have any public comments with respect to the Satsop Combustion Turbine Project? Mike, Counsel for the Environment.

**MR. LUFKIN:** Thank you, Mr. Chairman. Just kind of a question. I was wondering if at this point if the date for the discussion on the expedited process determination has been determined?

**MR. FIKSDAL:** No, it hasn't.

**CHAIR LUCE:** Thank you for your question.

**MR. FIKSDAL:** If I might, the date for discussion depends on the SEPA determination and what may be required as far as public comments. For example, a NPDES needs a two-week

public comment period. I don't know if the Council would want to wait until after the comment period or not.. They may want to wait. The scheduling may be dependent on what the SEPA determination is.

**CHAIR LUCE:** Thank you.

## **ITEM 7: CHEHALIS GENERATION FACILITY**

<i><b>Progress Report</b></i>	<i><b>Steve Bates, Chehalis Power</b></i>
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**CHAIR LUCE:** Steve Bates is here I think to give us a report on the progress for the Chehalis Generation program. Steve, welcome.

**MR. BATES:** My name is Steve Bates, and I am with the Chehalis Power project. I'm providing an update on our construction activities. Things are progressing really well. We have been able to complete almost all of the underground foundations and ductwork, and electrical duct banks for the facility. As of the end of March we were 50.1 percent complete, including engineering, procurement, and construction. As of April 30, we are 54.1 percent complete. On May 1.4 percent complete in engineering and about 18.6 percent complete in construction. Project remains on schedule. We've began to receive some more heavy haul loads that came in from Longview, Port of Longview up I-5, the largest of that being 250,000 pounds of HRSG parts for the boilers, and that's been completed and now on site. We have about 230 people working on site, and we have 300,000 hours of no lost time accidents, so we're very proud of that, and that's about it.

**CHAIR LUCE:** Thank you. Any questions from the Council? Mr. Fiksdal.

**MR. FIKSDAL:** You gave a series of percent completes. Can you wrap that up into one percentage estimate.

**MR. BATES:** Yes. Total percent complete of the project 54.1.

**MR. FIKSDAL:** Thank you.

**CHAIR LUCE:** Thank you. Any comments from the public with respect to the Chehalis Generation Facility? Hearing none, we will move on to the next matter.

## **ITEM 8: ENERGY NORTHWEST COLUMBIA GENERATION STATION & WNP-1/4**

<i><b>Columbia Operations/Security</b></i>	<i><b>John Arbuckle, Energy Northwest</b></i>
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**CHAIR LUCE:** Energy Northwest Columbia Generation Station WNP 1 and 4. John.

**MR. ARBUCKLE:** Thanks. I'm John Arbuckle, Energy Northwest Columbia Generating Station. I will talk a little bit about Columbia plant status and the security things that we're doing here, and then we will talk about the WNP 1 and 4.

The plant's at 100 percent power, and has been on-line for about 78 consecutive days. We remain at a heightened level of security. On February 25th the NRC issued an order to all plants to implement interim security measures, and we sent a letter to the Council on April 24th, and it should be in your package. Bottom line is we're installing a new security barrier, a vehicle barrier and Visitor's Center, and a new vehicle checkpoint. So if you have comments or questions about that. Did you want me to go into some detail on that? Do you have a question, Jenene?

**MS. FENTON:** Yes. I was under the impression that it was just the vehicle checkpoint that had freeway cement barriers.

**MR. ARBUCKLE:** Yes, that's going to be the barrier surrounding the plant, but there's one vehicle checkpoint that comes into the main entrance of the plant. We have one right there now, and we're going to build a new one.

**MR. FIKSDAL:** Could you go into a little bit more detail about that security barrier, exactly what does it look like.

**MR. ARBUCKLE:** Yes, Jersey barriers are going to be side by side completely surrounding the plant and will be filled with rock and soil, and it's designed to stop a truck bomb.

**MR. FIKSDAL:** So the complete site is going to be encompassed by this barrier with one vehicle entry point.

**MR. ARBUCKLE:** Right.

**CHAIR LUCE:** Just out of curiosity how many Jersey barriers are we talking about?

**MR. ARBUCKLE:** We're talking about 22,000 feet, so it's a lot of them, depending on what size we get, the 7 foot, the 6 foot, the 12 foot. Mostly it's on disturbed ground. We are able to do existing roadways, fire breaks, and things like that, and that's a plus, and about 10,000 of the feet is outside of the estate. It's on the DOE land.

**CHAIR LUCE:** I assume that there has been compliance with whatever the environmental regulations are.

**MR. ARBUCKLE:** Yes. The NRC issued an order that exempted the requirements for NEPA based on their rules in 10 CFR 50.1. We will probably get into the SEPA. If we move Visitor's Center, we will probably have to do some work in that area because that wasn't part of the security part. So we will be following up with Allen and Mike on that.

**CHAIR LUCE:** What is the status of the Visitor's Center?

**MR. ARBUCKLE:** Right now we are going to move that to the front near the checkpoint. Right now the center is closed due to security reasons, and we talked about not needing to amend the SCA and maybe not having a Visitor's Center. But we decided no, we really truly needed one, and so we are going to put one right at the checkpoint to the main entrance to the plant area.

**CHAIR LUCE:** You will come to the staff for informal discussion about the Visitor's Center in tabling that for some sort of action?

**MR. FIKSDAL:** We've discussed that with Energy Northwest, and part of the site certification agreement requires a Visitor's Center, and the supply system did put one in, but due to all the security measures it was closed down. And now they're going to move to the outside barrier I assume.

**MR. ARBUCKLE:** Yes.

**MR. FIKSDAL:** So you don't have to go inside the security area to the Visitor's Center, and Energy Northwest will be coming to us and telling us what they're going to do with it soon.

**MR. ARBUCKLE:** It will be a combination of the vehicle checkpoint and personnel checkpoint, and the Visitor's Center will be right by it, but you won't have to go into the plant. It will be outside the security area.

**CHAIR LUCE:** Is it necessary that the Visitor's Center, first of all, be there. Do we really need a Visitor's Center?

**MR. FIKSDAL:** Mr. Chair, I actually suggested that when I was talking to Bill Kiel at Energy Northwest. We discussed that whether it's really necessary or not, whether Energy Northwest wanted to apply for amendment to the site certification agreement to eliminate that or amend it to eliminate it. It's up to Energy Northwest to decide what they want to do, and they were going to get back to us with what they decided. Evidently John says that they decided to keep it, so they will have to put it in somewhere.



**CHAIR LUCE:** Is there a provision that the Visitor's Center actually be on site or could it be located perhaps more centrally in the Tri-Cities where it would be more accessible to people of the general public? Just food for thought. It's a long drive out there, particularly with all the security measures in place. It seems unlikely that a lot of visitors would be driving out to the Visitor's Center, but I could be wrong.

**MR. ARBUCKLE:** There were some discussions of that. Senior management decided that they wanted the Visitor's Center out at the plant. We thought about having it downtown at our corporate offices, and they decided to put one out there, so I wasn't the decision maker.

**MR. FIKSDAL:** It's simply a mobile building.

**CHAIR LUCE:** No, I've seen the Visitor's Center. I was thinking about costs and cost benefit ratios and stuff like that.

**MR. ARBUCKLE:** I appreciate that. We looked into that in detail and the senior management said that's what they want.

**CHAIR LUCE:** Okay.

**MR. FIKSDAL:** Mr. Chair, I would like to acknowledge that staff has looked at the April 24 letter from Energy Northwest regarding their security upgrades, and I guess we just have to acknowledge that we have reviewed it and are informed about the activities on the site.

**CHAIR LUCE:** Great. Thank you.

**MR. ARBUCKLE:** Thank you. You bet. We also have an inspection on our NRC yellow finding emergency preparedness today. It's a close-out inspection of our corrective actions that we've taken. If that goes well, then the yellow finding will turn to green in June because that's when the whole issue started in the last three years, so we are having that this week. We feel confident that we're going to come out looking real good.

**CHAIR LUCE:** Good.

**MR. ARBUCKLE:** That's it for Columbia. Any questions?

**CHAIR LUCE:** Yes.

**MR. SHOWMAN:** You noted that you were in partial economic dispatch at 65 percent because of low energy prices, right?

**MR. ARBUCKLE:** Yes, that was essentially the lower power demand in the southwest and high hydro production, and that was for about a week's period back in April time frame.

**MR. SHOWMAN:** How does that work?

**MR. ARBUCKLE:** We actually shut down. We go down to 65 percent. We get a call from BPA, and they say this when we want you to be at this percentage of power and we accommodate them.

**MR. SHOWMAN:** Okay.

**CHAIR LUCE:** Thank you. Do you have any other matters you would like to bring before us?

**MR. ARBUCKLE:** Not for Columbia, but are you going to talk about WNP 1 and 4?

**MR. MILLS:** Why don't you just continue. You've got it on your outline there to talk about WNP 1 and 4.

<b><i>WNP-1/4 Site Restoration</i></b>	<b><i>John Arbuckle, Energy Northwest</i></b>
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**MR. ARBUCKLE:** Okay. As far as WNP-1 the Goldschmidt Imeson report is concluded, and that was a follow up to the technical review done by Bechtel. This was the economic political review, and they recommended to not complete WNP-1 as a commercial nuclear power plant, which wasn't a big surprise. There aren't any major technical or management issues, but politically and financially it's a show stopper.

**CHAIR LUCE:** How will that manifest itself with respect to the status of the project?

**MR. ARBUCKLE:** I am not sure the exact answer to your question on: Where does it lead? Are we stopping? It's not going to be a commercial plant, so what steps do we need to take to stop that effort? I don't know exactly how that will play out, but I know it does lead into site restoration. It kind of starts that clock ticking and so forth. We're not going to use the site for an industrial park or something like that. I think they're still looking at that, and I will come back to the Council with a little more detail on how it transitions from a nuclear project to something else or not at all.

**CHAIR LUCE:** Thank you.

**MR. ARBUCKLE:** We're looking at defining the level of restoration. We've had some discussions on these, and we're defining right now level of funding. We are also looking at developing a schedule -- that's going to be driven by funding -- and then also looking at the immediate actions within two years that we need to take and secure and stabilize the sites. And we are also working on a letter from us to the Council that's going to describe the plans for restoration. We're working with BPA to see how that plays out, and we reference the 1999 plan and update it with what we're going to do right away and the things that we will do in the future.

**CHAIR LUCE:** The proposal.

**MR. ARBUCKLE:** The proposal, yes.

**CHAIR LUCE:** Thank you.

**MR. FIKSDAL:** I have a question. John, has the board taken any official action on WNP-1?

**MR. ARBUCKLE:** No, that's what I need to get back with. They have not taken official action, but they have acknowledged the Goldschmidt Imeson report. By the way, I brought a copy with me, and I gave it to Mike to give to you. So we will find out exactly when they do that. They've got the authority to start and stop projects, so we will see. I fully expect that they will stop it, but what flavor it will be, whether it's an industrial park or not at all, I don't know yet.

**MR. FIKSDAL:** Once they've taken action, they will notify the Council that's no longer an energy facility.

**MR. ARBUCKLE:** Yes.

**CHAIR LUCE:** Question?

**MR. CARELLI:** All the leases that Energy Northwest had for sites probably WNP 1 and 4 have been terminated now; is that correct?

**MR. ARBUCKLE:** That's correct.

**MR. CARELLI:** Are there any plans to enter into new leases at some point in the future?

**MR. ARBUCKLE:** I think there is some discussion in that area. I think when CEO Parrish said terminate all the leases, I think there was some discussion that it didn't leave all of the options open. We might want to open it up and maybe lease it out again to some other people. It's not completely dead yet, but there's still discussion on maybe there is a place for some leasing depending on what happens, for example, like the Composite Power came up. Well, that was just an idea, but there might be something like that. That was an industrial park when we looked at doing that.

**MR. CARELLI:** Okay.

**CHAIR LUCE:** Other questions from the Council? Questions from the public in respect to the WNP 1 and 4? Hearing no questions, thank you very much for giving us your report.

**MR. ARBUCKLE:** Thank you.

## ITEM 10: BP CHERRY POINT

<b>Status Report</b>	<b>Michelle Elling, EFSEC Staff</b>
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**CHAIR LUCE:** We have a status report, Michelle on BP Cherry Point?

**MS. ELLING:** I would like to invite Mike Torpey to come up for this project.

**MR. TORPEY:** Thank you, Michelle, and good afternoon. Thank you for letting me share with you a few minutes the status of our project. First let me apologize for the delay in submitting the application. I truly expected the application to be here months ago, and I suppose that shows how naive a newcomer can be to this process. This will be one of those instances when we'll look back and laugh on this one-day, but we're just too busy to do that now. There are a variety of reasons for the delay. It's the budget constraints, business environment in coordination with the agencies, the number of people involved in the application, and the amount of information requested of the potential site study just to name a few.

On this last point, at least I think the Council should be excited about this, is that we have taken a potential site study seriously and responded to the issues raised during this process, and that's taken us a little more time. One other thing that's caused some delay is the new information with regard to the natural gas, and that had been changing for several months up to about a couple months ago. It might still be changing, so just when you think you had that all together, that changes and affects quite a bit of the application.

When we first started this project, there was a feeling of urgency, and certainly there was an urgent business opportunity. But also with businesses shutting down all around us we felt we couldn't get a project on the ground soon enough. Needless to say the power situation is back to I guess more normal and it's affected quite a few other power projects as well. Unfortunately there are still some businesses that were impacted, and that was Georgia Pacific in Bellingham and Alcoa, which is in the process of starting up at least two of the three pot lines. In many ways the stable power prices have really been a good thing. In at least one way it makes us scrutinize our project more closely, so that we have a project that is good and will survive both the good times and the bad.

Another thing that's added to the development time is that co-generation adds complexity. It's very different because of the interaction between the co-generation plant and the steam host. The steam needs must be met over a variety of conditions in the refinery, and steam is extremely important to the refinery operation.

In this project we are taking three utility boilers out of service and leaving one down but available for standby service. Steam is critical. Just to give you an idea of the steam process, the steam situation at the refinery, there are three primary steam headers in the refinery, and they're listed by process pressure 600 psi steam, 140 psi steam, and the 30 psi steam. With these three systems you couldn't just use one pressure steam for everything because if you use just 600 steam it's too hot for some things, so we have the other steam systems available. What happens with the utility boards we have today, we make 600 pounds of steam, and then we use that either extracting the pressure by turning steam turbines and running pumps and compressors or extracting it in terms of heat. And when you get through with extracting some energy out at 600 pounds steam, it goes under the 140-pound system, and then it uses the same wave of heat and the pressure from that and then it goes into the 30-pound system.

You can think of these headers and the steam system like essentially the arteries in the veins of the body. It's spread throughout the refinery. It's used in certain ways, and eventually it gets down to water that we pump back into the boilers and it's recirculated into the system with steam. So the steam system is large and complex. It's important for the process, so we take a

great deal of care into designing and integrating this co-generation project into the refinery. Another advantage of locating near the refinery, of course, is the existing infrastructure, and this is a good thing in reducing resources and impact, but it also makes some interesting challenges in terms of the design and evaluation.

For instance, one of the things that we use is the existing boiler feed water system in the refinery treatment system. It's not big enough to handle the co-generation plant, so we can still use that equipment but then provide new equipment in the co-generation plant, and the two together will supply all our steam for our feed water needs. It's just that evaluation takes a little bit longer because we do have to work together, so it takes a while to development.

And what next? The project team is currently finishing the final edits and review of our application, and I expect to be done with that by the end of this week, and by the beginning of the next week we start the production of the copies. We've got about 150 copies to prepare sometime after that, and I hesitate to give you an actual date because I haven't met many of them to this point. So what I will say is we expect to have the application turned in before the next regular Council meeting, so maybe I have learned something out of this after all. I haven't just fallen off the truck, but at least if I fell off, it wasn't this morning. But I will keep Michelle informed of when we approach that submittal date, so we will know well in advance, at least a week in advance when you expect that.

**CHAIR LUCE:** Thank you. Questions from Council members? Questions from staff? Questions from the public? Hearing no questions, thank you very much for your presentation.

**MR. TORPEY:** Thank you for your time.

**CHAIR LUCE:** We will look forward to your application.

**MR. TORPEY:** Good.

## **ITEM 11: STARBUCK POWER PROJECT**

<i>Change of Ownership</i>	<i>Mike Elmer, Starbuck Power</i>
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**CHAIR LUCE:** We have a report now I believe on the Starbuck Power Project, Irina.

**MS. MAKAROW:** Yes, at the end of the month of April we received notification from PPL Global that they were selling their interest in the Starbuck Power Project back to Northwest Power Enterprises, and actually Mike Elmer is here today, and I invite Mike to come and tell us about the status of their project.

**MR. ELMER:** Good afternoon. My name is Mike Elmer. I am the project manager of Starbuck Power Project. As Irina mentioned PPL Global suspended the project on March 1, and subsequent to that actually it was April 1 sold their interest back to Northwest Power Enterprises, the original developer of the project. NPE is currently talking to a handful of groups, some of them financial institutions, others potential owner/operators. We would prefer to get a commitment from an owner/operator to revamp the process and go forward not only with the permitting part, the site certification, but also the construction and operation. The market right now as you're aware is a little bit in turmoil, so it could very well be that we would get a financial institution to provide the development funds to get through the site certification and continue to talk to the potential owner/operators, and we're optimistic that we will get a commitment mainly because of all the positive aspects that the project has to offer as I think you're aware. The other thing we feel good about is PPL when we suspended the project it was at a good clean break, so that once we revamp the process we think we can pick it up very rapidly and get through the process.

**CHAIR LUCE:** Thank you. Questions from the Council? Staff? Public? I have one quick question. I wouldn't hold anyone to time lines or time dates with respect to process, but I assume you're going to look at owner/operator as you said first. That would be highly desirable. Failing that, financial institutions, do you have any sort of rough guesstimate?

**MR. ELMER:** Obviously, we would like it to happen sooner than later.

**CHAIR LUCE:** You're not going to be held to it.

**MR. ELMER:** I would hope within the next four to six weeks we would have a commitment one way or the other.

**CHAIR LUCE:** Either go or no go.

**MR. ELMER:** No, either a financial institution or an owner/operator.

**CHAIR LUCE:** So you're assuming this will be a go, but it will be either a go to finish the project in terms of the siting application process or that coupled with owner/operator.

**MR. ELMER:** That's correct.

**CHAIR LUCE:** Thank you. That's good news. Congratulations.

**MR. ELMER:** Thanks.

## **ITEM 12: CHAIR'S REPORT**

<b><i>Standards Group</i></b>	<b><i>Jim Luce, EFSEC Chair</i></b>
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**CHAIR LUCE:** Chair's report is the next matter. The Standards Group meets May, 23 I believe. Is that correct, Mariah?

**MS. LAAMB:** Yes.

**CHAIR LUCE:** May 23 at the Priory, and we'll have an agenda out with respect to the issues that will be discussed then. We will be making that agenda available to everyone who is interested in following this pre-rule making initiative, and those who aren't involved and want to become involved are encouraged to become involved.

<b><i>EFSEC Retreat</i></b>	<b><i>Jim Luce, EFSEC Chair</i></b>
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**CHAIR LUCE:** We have postponed the retreat which we had scheduled for later this month because of the lack of availability of people who we thought were important to have at the retreat, and we will be rescheduling it as soon as possible.

## **ITEM 13: OTHER**

**CHAIR LUCE:** Anything else for the good of the order from the Council? Staff? Public? Thank you much.

## **ITEM 14: ADJOURN**

**CHAIR LUCE:** We stand adjourned.  
(Whereupon, the meeting was adjourned at 2:15 p.m.)